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Questions Rise From Meese Testimony

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Secret testimony given last December by Attorney General Edwin Meese III, released yesterday by the Senate Select Committee on Intelligence, raises new questions about White House requests last fall for delays of investigations by the U.S. Customs Service and the FBI into possible illegal military aid to the Nicaraguan contras.

Testifying to the intelligence panel last year, Meese said he had been told by then-national security adviser Vice Adm. John M. Poindexter that those investigations should be delayed so that persons who might be interviewed by federal investigators would be free to take part in secret shipments of arms to Iran to win the release of American hostages in Lebanon. However, the last of those shipments of arms to Iran was completed before Meese asked that the investigations be delayed.

The portions of Meese's December testimony released yesterday, combined with earlier revelations and new testimony from FBI Director William H. Webster, together create a confusing picture of White House concerns over federal investigations into aid to the Nicaraguan contras—and the investigations themselves. According to the report of the Tower review panel released Feb. 26, the contras were secretly being supported by the Reagan White House.

Customs and Federal Bureau of Investigation inquiries were triggered by the shootdown Oct. 5 of a privately owned, C123K transport over Nicaragua while it was delivering arms to the contras. Two U.S. pilots were killed in the incident; Eugene Hasenfus, a crew member, survived and was captured by the Nicaraguan government.

Both the Customs Service and the FBI approached Southern Air

Transport Inc., a Miami-based company that had provided maintenance for the downed aircraft. One of the dead pilots had a Southern Air identification card and logbook that showed he had worked earlier for the company.

At the same time it was servicing planes involved in the contra resupply operation, Southern Air was participating in the secret, White House-run arms-for-hostages operation. The company supplied aircraft and pilots for arms deliveries to Iran in February and May, and pilots for the final shipments in July and late October.

The FBI has told Congress that it began its investigation of a possible violation of the Neutrality Act three

days after the C123K shootdown, on Oct. 8. Individuals close to the Southern Air investigation said yesterday that two FBI agents went to the company's Miami headquarters on Oct. 8 to ask for the name of someone who could tell them about the airplane.

On the same day the FBI called on Southern Air, Lt. Col. Oliver L. North, then of the National Security Council staff, telephoned Oliver (Buck) Revell, executive assistant director of the FBI. According to Webster, "North was concerned that FBI agents conducting the investigation might inadvertently discover that Southern Air was involved in" arms shipments to Iran if the investigation went forward. According to Webster, Revell "contacted the Miami Field Office to ascertain the nature of the FBI inquiry and to obtain a teletype report."

On Oct. 9, according to the sources close to the Southern Air investigation, officials of the company called the FBI to respond to their request of the previous day; they planned to give the bureau the name of Richard B. Gadd, a retired Air Force officer involved in the contra resupply operation. But an FBI official responded to this call by saying he wasn't interested, the sources said.

The Customs Service investigation was apparently more active than the FBI's. In mid-October, a Customs agent served a subpoena on Southern Air at its Miami headquarters that sought documents relating to or referring to the lease, repair, maintenance, purchase or

operation in Central America of the C123K that had been shot down as well as employment records of certain individuals, sources said.

At that time, Southern Air was preparing to provide pilots to fly a clandestine shipment of U.S. arms to Iran.

Southern Air officials were concerned that there might be a reference to the highly secret Iran operation in the papers related to the contra operation demanded by the Customs subpoena, according to sources familiar with the investigation. The Southern Air officials passed their concerns on to Richard V. Secord, another retired Air Force officer who was coordinating both the secret arms deals with Iran and private aid efforts for the contras on North's behalf.

Secord called North to express his concerns and North called Assistant Customs Commissioner William Rosenblatt, according to the Tower commission report.

Rosenblatt told the Tower commission that North said the subpoena was directed at "good guys" who committed "no crimes." As a result of North's call, the Tower report said, Customs "narrowed the investigation to the specific aircraft involved in the crash rather than on the activities of the whole company."

Secord flew to Miami within days of North's call to Rosenblatt to have a brief meeting with Southern Air officials, according to knowledgeable sources. He was there to reassure himself that Southern Air would continue to participate in the Iran operation, the sources said.

(Southern Air was not visited again by Customs agents for two months. When a Customs agent reappeared in mid-December, according to the sources, he said he had been ill with a cold.)

By late October, neither the FBI nor Customs was actively pursuing Southern Air, according to the sources close to those probes. Nevertheless, on Oct. 29, North complained in a note to Poindexter about investigations of the company, according to the Tower commission report.

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"This is the damnedest operation I have ever seen," North wrote Poindexter on the NSC's computer system. "Pls let me go on to other things. [Would] very much like to give [Reagan] two hostages that he can take credit for and stop worrying about these other things."

The next day, according to Meese, he was called by Poindexter, who asked the attorney general to hold up an investigation involving Southern Air personnel "at that particular time."

"These people," Meese said Poindexter told him, "would be unavailable to participate in whatever transportation activity was involved in Iran or in relation to Iran" if they were being interviewed by federal agents.

According to Meese, he instructed Associate Attorney General Stephen Trott "to check with the FBI and to see whether there was an investigation, and if it was, whether it could be—whether certain aspects of it could be delayed for a few days without hurting the investigation."

According to Webster's testimony yesterday, Trott asked "if it were possible for us to suspend any unnecessary investigation for about 10 days pending some sensitive hostage negotiations. He didn't want to interfere with the investigation, but he wanted to create, if possible, a good climate in which those negotiations could take place."

"We had no trouble accommodating this request," Webster testified, because "we were barely into this investigation ... there was not

much to do" and "a second interview with an informant" was going to complete the "relatively short inquiry."

On the day he received the request from Poindexter, Meese testified last December, "I also contacted the secretary of the treasury," James A. Baker III, "because it was my understanding from Mr. Poindexter that Customs was also involved in the investigation."

However, a spokesman for Baker said yesterday that the only contact with Meese on this subject that Baker recalled was a brief conversation at a White House meeting on another subject in which the attorney general said he would call Baker later about a Customs investigation. But Meese "never called to explain the matter," Baker's spokesman said.

According to informed sources, Baker has been interviewed in detail about his dealing with Meese, presumably by independent counsel Lawrence E. Walsh's office. The Washington Post reported yesterday that Walsh is investigating Meese's handling of all these matters.

A Justice Department official, when asked last night why the attorney general had referred on Oct. 30 to the need to allow Southern Air personnel to complete secret missions that were in fact already completed, said that Meese at that moment expected one or two more flights would be made in early November. This was the first time an administration official had suggested such a possibility.